Revision in prices of LPG and Kerosene

116. SHRI SANJAY NIRUPAM: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have increased the prices of LPG and Kerosene; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) PDS kerosene and domestic LPG are subsidized products. In addition to the Government subsidy, oil PSUs have been sharing the burden of subsidizing these products by not passing the full increase in international prices on to the domestic consumer prices of these products. Despite the steep increase in international prices, the selling price of PDS kerosene has not been increased since 1.4.2002 and the RSP (retail selling price) of domestic LPG was increased by only Rs. 20/cylinder each, effective 16.6.2004 and 5.11.2004 respectively. During April-December 2004, the estimated provisional under-recovery/subsidy on these products was as follows:

Product	Government Subsidy	Oil PSUs' under-recoveries	Total Subsidy/ under-recoveries
PDS Kerosene (Rs./litre)	0.82	8.14	8.96
Domstic LPG (Rs./Cylinder)	22.58	129.18	151.76

Recommendations of Kirit Parikh Committee

†117. PROF. R.B.S. VERMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the Kirit Parikh Committee constituted by the Planning Commission has recommended to make refinery, distribution and exploration sectors independent;

† Original notice of the question was received in Hindi.

(b) if so, the details of the loss being suffered as a result of present mechanism;

(c) whether Kirit Parikh Committee has found shortcomings in the present mechanism; and

(d) whether the Committee has recommended to bring drastic changes in the present mechanism?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) An expert Committee under the Chairmanship of Member (Energy), Planning Commission was constituted on 12th August, 2004 to make recommendation in respect of Energy Policy. The Committee is yet to submit its report.

Asian Oil Market

118. SHRI KARNENDU BHATTACHARJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any decision has been arrived at regarding India's proposal for the development of an Asian Oil Market;

(b) whether the required infrastructure is available in the country for the same; and

(c) the details of the oil market and the countries that are expected to join the Asian Oil Market?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The scope for improving Asian markets for petroleum and petroleum products was *inter alia* discussed during the first Round Table of Asian Ministers on regional cooperation in the oil & gas economy held in New Delhi on 6th January, 2005 and attended by Ministers from India, Iran, Japan, Malayasia, Oman, Qatar, Saudi Arabia, UAE and Kuwait, besides representation from China and Korea. The issue requires careful study and detailed consideration with a view to identifying broad policy parameters that might require further consideration. The inaugural address of the Chairman and the statement by the Chairman setting out the draft conclusions of the conference, which, *inter alia*, deals with the